

Amb:

Any comments on the
SUBSTANCE of this would
LEAD YOU INTO DEEP
WATER.

BEST TO LET IT
ALONE — PERHAPS just
ACKNOWLEDGE it with
2 or 3 other notes from him.

MC, 1/3

File
Review
11



DEPARTMENT OF STATE

Washington D C 20520

MC 12/27

December 10, 1976

OFFICIAL-INFORMAL

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Honorable Robert C. Hill
American Ambassador
American Embassy
Buenos Aires

Dear Mr. Ambassador:

I'm sorry I cannot call the Sulgrave Club now and brief you on a number of subjects which have come up. This is the next best thing I guess.

AP reported that you would be staying on in Argentina. I do not have that report and have not been called upon to comment upon it. However, General Miro - my new-found friend at the Argentine Embassy - collared me at a reception to inquire about your future. He spoke very highly of you and said that the Argentine government would very much like you to stay on. I replied that I really had no idea what you might be doing but that it was not your intention simply to leave Argentina as soon as President Carter took over. On the contrary, I said you would probably be staying on for a while. I commented that you had more than done your duty in Argentina and might be due for another post. I also mentioned your trip to Georgia and said that you had an awful lot of Democrat friends.

My friendship with Miro developed at the luncheon which Prat Guy offered for Charlie Bray. Miro had all sorts of misinformation about Congressman Drinan's words at Georgetown, and I offered to let him read my notes. He sent over a Colonel Rodriguez who read my notes into a recorder. Rodriguez advised me that President Videla would have a report forthwith. Rodriguez also noted that Miro often speaks to Videla over the phone, something which caused a problem for Musich. I can imagine what would happen if Colonel Coughlin had a hot line to Ford!

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I took advantage of my conversation with Rodriguez to discuss human rights. Unlike the civilians at the Embassy, Rodriguez defended the GOA's actions. When I noted that prisoners are not being taken, he replied that the Montoneros have cyanide pills. If they allow themselves to be captured and are later released, Rodriguez claimed, then the Montoneros would kill them as assumed stoolies. Furthermore, Rodriguez warned that if one did not shoot first, the guerrillas would lob a grenade at you. Undeterred, I asked about lists of prisoners. Rodriguez said such lists would give comfort to the enemy and tip them off where to strike to release captives. I acknowledged that a dirty war was involved in Argentina but told Rodriguez that the war had a public relations aspect which Argentina would lose if the world perceived injustice there.

If Rodriguez mirrors his boss, they are two hard liners who are convinced that the United States is also being undermined by Marxists in slippers. Miro adds homosexuals for good measure. *+ Thye*

In the field of FMS credits, we are still awaiting a decision on whether Argentina will be able to use more of its 1976 FMS credits on spare parts. There appears to be no way we will permit Argentina to spend \$7 million on nuts and bolts as they wish but Harry Shlaudeman believes the October 5 cutoff date by P/M was unreasonably abrupt, and he has said such a cutoff is "unacceptable." Sounds like "El Tremendo."

Argentina's three old destroyers were held up by D/HA (Humanitarian Affairs) for the second time. Shlaudeman had earlier been annoyed when this happened, arguing that the Argentines already have the ships and that Uncle Sam will be lucky to recuperate some money from the sale. Charlie Bray is supposed to spring the destroyers from D/HA for a second time.

You'll be interested in learning that all arms transfers, including cash sales of guns and bullets, now go through D/HA. We will win on the destroyers but not on things such as weapons for SIDE, as is the case in a recent cash sale request which is being processed.

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Now that I have your juices stirring, I'll turn to WOLA. Bill Luers asked that we let you know how his December 7 "off the record" session with the Washington Office on Latin America went. There were about 40 people there, almost a third of which were State people or War College students. We do not know how the latter managed to infiltrate the hall in which voluntary organizations gathered such as Amnesty, the Council of Churches, COHA (Larry Birns), the American Physical Society (I do not know what "physical" means in this case) and others.

Keith Micelli started off with a statement from the American Chamber in Buenos Aires. It was not terribly enlightening. It mentioned the chaotic situation prior to March 24 and concluded by stating that the present government is the most promising since 1955.

Professor Eldon Kenworthy of Cornell then gave an opposite interpretation of events. In essence, his thesis was that the military were trying to do what Ongania did but without losing their nerve this time and giving in to labor. He never once suggested that there is a conflict between moderate and hard-line officers. He claimed that the Montoneros are swollen by the ranks of dissatisfied workers. He commented that 50% of Tucuman is for the guerrillas. He catalogued human rights violations, saying that Argentina is worse than Chile. Our military assistance was roundly condemned. Kenworthy noted our provision of radios and helicopters to the GOA, which are used in Tucuman to fight guerrillas. He accused the United States of supporting the Argentine government.

Bill Luers downplayed the importance of U.S. interests in Argentina. He told his audience that he would make the desk officer unhappy on this score. (He did.) He did note effectively that Argentina is one of the countries least susceptible to U.S. influence. He reviewed human rights violations, noting that American accounts of their treatment are shocking. Bill touched on the \$48 million in FMS credits proposed for Argentina noting that this was a budget figure but that the final figure (which now stands at \$36 million) would not be known until next spring. He revealed to the audience

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that the Latin American democratic states have warned us that punitive steps against Argentina could trigger an Argentine nationalism which we could all regret. Bill spoke of the danger of moral imperialism, calling moral hegemony dangerous. He told his audience that it would not agree with our policies but should serve as our conscience.

In the Q. and A. period, the ADA man said that there should be no need for military assistance to Argentina if our interests are not vital. It should not be regarded as punitive to take away such assistance. Bill replied that we shoved guns on the Latins during the sixties but were not disengaging.

The man from the American Physical Society described Micelli's statement as a caricature (of the business mentality) and asked for a copy. Keith waffled.

Larry Birns then delivered a speech of his own. And I must say he speaks effectively. He ridiculed private diplomacy when thousands die. He said that Fraser had requested a human rights report from our Embassy in Buenos Aires (sic) and State had classified it. He accused State of thwarting Congress' right to legislate by keeping the report away from legislators. He said we hide behind slogans such as "quiet diplomacy," while the killing goes on. Luers said no one made the reports confidential to prevent Congressional action. He said they were classified to avoid damaging relations with another country and that unclassified reports would be submitted in January.

The session lasted two hours, and I probably have grossly oversimplified what everyone said. But I hope I conveyed the flavor of the afternoon to you. The press has not reported on the meeting.

Subsequently, I learned that Larry Birns claims he has a copy of the human rights report and that he did not get it from Salzberg.

Finally, I'm enclosing a copy of a draft Argentine page for an ARA transition paper.

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I hope that finger is well and that Mrs. Hill is recuperating from chauffering. My very best to both of you.

Sincerely,

Don Fernando

Fernando E. Rondon

Enclosure: As stated

Concurrence: ARA/ECA - Mr. Zimmermann *frr*

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U.S.-Argentine Relations

U.S. bilateral interests in Argentina are relatively modest. We are owed about \$3 billion, largely to our private banks; we have a \$200 million trade surplus; and private investment stands at \$1.4 billion. More importantly, our interests relate to Argentina's potential as a middle power: Argentina has substantial uranium deposits, well-trained physicists and ambitious plans for nuclear power development; and it is presently a large and potentially a much larger exporter of cereals and meat, commodities that will ensure Argentina's place in the sun of a food-poor world.

Regionally, Argentina is South America's second largest country in area and population, and probably has the best-trained manpower.

Argentina has long been Spanish South America's cultural leader, but its political and economic influence have been sapped by recurring instability. At the time of the March takeover of power by the present military government, violence was rampant and inflation (at 1,000 percent in March) out of control.

We were hopeful that the new government might be able to provide needed stability, and we welcomed

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the lending of \$500 million by our private banks to Argentina. We also sought to normalize military ties which suffered as a result of Argentine trade with Cuba. There were also several pending investment disputes.

The new government's economic successes are undeniable, but the fight against terrorism has proved costly in human terms. Civil rights have suffered badly, with massive arrests, torture and unexplained killings and disappearances.

The United States is, therefore, caught between its desire to support Argentina's struggle for economic recovery, while disassociating ourselves from human rights abuses. Some observers want to see the United States sever military assistance, while others argue that this would stiffen right-wing repression in Argentina. Conscious of the extreme terrorism inherited by the government and aware of Videla's problems in establishing control over the various security forces, we have up to now acted cautiously, trying to avoid provoking the kind of nationalistic backlash we have produced in the past. Part of this approach has involved avoiding public condemnation and heavy overt pressure on a reputedly moderate President Videla, in the belief that such action would weaken his position vis-a-vis his hard-line subordinates.

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We have repeatedly pressed for human rights improvements behind the scenes, raising this matter at all levels of the Argentine government. On September 21, our Ambassador warned Videla that U.S. support in the Inter-American Bank was seriously endangered. The Argentines understood clearly that our economic actions in the IDB would probably be followed by termination of military assistance. Under such circumstances, human rights have become a key factor in our relations, a factor that is almost entirely dependent on Argentine practices toward its citizens.

ARA/ECA:FERondon:jc (December 9, 1976)

Concurrence:ARA/ECA:RWZimmermann

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